

108TH CONGRESS  
1ST SESSION

# H. R. 1550

To authorize the Secretary of the Interior and the Secretary of Agriculture to make grants to improve the commercial value of forest biomass for electric energy, useful heat, transportation fuels, petroleum-based product substitutes, and other commercial purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 2003

Mr. REHBERG (for himself, Mr. MCINNIS, and Mr. RENZI) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committees on Resources and Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To authorize the Secretary of the Interior and the Secretary of Agriculture to make grants to improve the commercial value of forest biomass for electric energy, useful heat, transportation fuels, petroleum-based product substitutes, and other commercial purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. GRANTS TO IMPROVE THE COMMERCIAL**  
2 **VALUE OF FOREST BIOMASS FOR ELECTRIC**  
3 **ENERGY, USEFUL HEAT, TRANSPORTATION**  
4 **FUELS, PETROLEUM-BASED PRODUCT SUB-**  
5 **STITUTES, AND OTHER COMMERCIAL PUR-**  
6 **POSES.**

7 (a) FINDINGS.—Congress finds the following:

8 (1) Thousands of communities in the United  
9 States, many located near Federal lands, are at risk  
10 to wildfire. Approximately 190,000,000 acres of land  
11 managed by the Secretary of Agriculture and the  
12 Secretary of the Interior are at risk of catastrophic  
13 fire in the near future. The accumulation of heavy  
14 forest fuel loads continues to increase as a result of  
15 disease, insect infestations, and drought, further  
16 raising the risk of fire each year.

17 (2) In addition, more than 70,000,000 acres  
18 across all land ownerships are at risk to higher than  
19 normal mortality over the next 15 years from insect  
20 infestation and disease. High levels of tree mortality  
21 from insects and disease result in increased fire risk,  
22 loss of old growth, degraded watershed conditions,  
23 and changes in species diversity and productivity, as  
24 well as diminished fish and wildlife habitat and de-  
25 creased timber values.

1           (3) Preventive treatments such as removing fuel  
2           loading, ladder fuels, and hazard trees, planting  
3           proper species mix and restoring and protecting  
4           early successional habitat, and other specific restora-  
5           tion treatments designed to reduce the susceptibility  
6           of forest land, woodland, and rangeland to insect  
7           outbreaks, disease, and catastrophic fire present the  
8           greatest opportunity for long-term forest health by  
9           creating a mosaic of species-mix and age distribu-  
10          tion. Such prevention treatments are widely acknowl-  
11          edged to be more successful and cost effective than  
12          suppression treatments in the case of insects, dis-  
13          ease, and fire.

14          (4) The by-products of preventive treatment  
15          (wood, brush, thinnings, chips, slash, and other haz-  
16          ardous fuels) removed from forest lands, woodlands  
17          and rangelands represent an abundant supply of bio-  
18          mass for biomass-to-energy facilities and raw mate-  
19          rial for business. There are currently few markets  
20          for the extraordinary volumes of by-products being  
21          generated as a result of the necessary large-scale  
22          preventive treatment activities.

23          (5) The United States should—

24                  (A) promote economic and entrepreneurial  
25          opportunities in using by-products removed

1 through preventive treatment activities related  
2 to hazardous fuels reduction, disease, and insect  
3 infestation; and

4 (B) develop and expand markets for tradi-  
5 tionally underused wood and biomass as an out-  
6 let for by-products of preventive treatment ac-  
7 tivities.

8 (b) DEFINITIONS.—In this section:

9 (1) BIOMASS.—The term “biomass” means  
10 trees and woody plants, including limbs, tops, nee-  
11 dles, and other woody parts, and by-products of pre-  
12 ventive treatment, such as wood, brush, thinnings,  
13 chips, and slash, that are removed—

14 (A) to reduce hazardous fuels; or

15 (B) to reduce the risk of or to contain dis-  
16 ease or insect infestation.

17 (2) INDIAN TRIBE.—The term “Indian tribe”  
18 has the meaning given the term in section 4(e) of  
19 the Indian Self-Determination and Education Assist-  
20 ance Act (25 U.S.C. 450b(e)).

21 (3) PERSON.—The term “person” includes—

22 (A) an individual;

23 (B) a community (as determined by the  
24 Secretary concerned);

25 (C) an Indian tribe;

1 (D) a small business, micro-business, or a  
2 corporation that is incorporated in the United  
3 States; and

4 (E) a nonprofit organization.

5 (4) PREFERRED COMMUNITY.—The term “pre-  
6 ferred community” means—

7 (A) any town, township, municipality, or  
8 other similar unit of local government (as deter-  
9 mined by the Secretary concerned) that—

10 (i) has a population of not more than  
11 50,000 individuals; and

12 (ii) the Secretary concerned, in the  
13 sole discretion of the Secretary concerned,  
14 determines contains or is located near  
15 land, the condition of which is at signifi-  
16 cant risk of catastrophic wildfire, disease,  
17 or insect infestation or which suffers from  
18 disease or insect infestation; or

19 (B) any county that—

20 (i) is not contained within a metro-  
21 politan statistical area; and

22 (ii) the Secretary concerned, in the  
23 sole discretion of the Secretary concerned,  
24 determines contains or is located near  
25 land, the condition of which is at signifi-

1                   cant risk of catastrophic wildfire, disease,  
2                   or insect infestation or which suffers from  
3                   disease or insect infestation.

4                   (5) SECRETARY CONCERNED.—The term “Sec-  
5                   retary concerned” means—

6                   (A) the Secretary of Agriculture with re-  
7                   spect to National Forest System lands; and

8                   (B) the Secretary of the Interior with re-  
9                   spect to Federal lands under the jurisdiction of  
10                  the Secretary of the Interior and Indian lands.

11                  (c) BIOMASS COMMERCIAL USE GRANT PROGRAM.—

12                  (1) IN GENERAL.—The Secretary concerned  
13                  may make grants to any person that owns or oper-  
14                  ates a facility that uses biomass as a raw material  
15                  to produce electric energy, sensible heat, transpor-  
16                  tation fuels, or substitutes for petroleum-based prod-  
17                  ucts to offset the costs incurred to purchase biomass  
18                  for use by such facility.

19                  (2) GRANT AMOUNTS.—A grant under this sub-  
20                  section may not exceed \$20 per green ton of biomass  
21                  delivered.

22                  (3) MONITORING OF GRANT RECIPIENT ACTIVI-  
23                  TIES.—As a condition of a grant under this sub-  
24                  section, the grant recipient shall keep such records  
25                  as the Secretary concerned may require to fully and

1       correctly disclose the use of the grant funds and all  
2       transactions involved in the purchase of biomass.  
3       Upon notice by a representative of the Secretary  
4       concerned, the grant recipient shall afford the rep-  
5       resentative reasonable access to the facility that pur-  
6       chases or uses biomass and an opportunity to exam-  
7       ine the inventory and records of the facility.

8       (d) IMPROVED BIOMASS USE GRANT PROGRAM.—

9           (1) IN GENERAL.—The Secretary concerned  
10       may make grants to persons to offset the cost of  
11       projects to develop or research opportunities to im-  
12       prove the use of, or add value to, biomass. In mak-  
13       ing such grants, the Secretary concerned shall give  
14       preference to persons in preferred communities.

15          (2) SELECTION.—The Secretary concerned shall  
16       select a grant recipient under paragraph (1) after  
17       giving consideration to the anticipated public bene-  
18       fits of the project, including the potential to develop  
19       thermal or electric energy resources or affordable en-  
20       ergy, opportunities for the creation or expansion of  
21       small businesses and micro-businesses, and the po-  
22       tential for new job creation.

23          (3) GRANT AMOUNT.—A grant under this sub-  
24       section may not exceed \$100,000.

1       (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
2 authorized to be appropriated \$50,000,000 for each of the  
3 fiscal years 2004 through 2014 to carry out this section.

4       (f) REPORT.—Not later than October 1, 2010, the  
5 Secretary of Agriculture, in consultation with the Sec-  
6 retary of the Interior, shall submit to the Committee on  
7 Energy and Natural Resources and the Committee on Ag-  
8 riculture, Nutrition, and Forestry of the Senate and the  
9 Committee on Resources and the Committee on Agri-  
10 culture of the House of Representatives a report describ-  
11 ing the results of the grant programs authorized by this  
12 section. The report shall include the following:

13           (1) An identification of the size, type, and the  
14 use of biomass by persons that receive grants under  
15 this section.

16           (2) The distance between the land from which  
17 the biomass was removed and the facility that used  
18 the biomass.

19           (3) The economic impacts, particularly new job  
20 creation, resulting from the grants to and operation  
21 of the eligible operations.

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